

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 503

Short Title: Direct Pay/Family Ther.

(Public)

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Sponsors: Representatives Alexander; Barnes, Black, Blue, Boyd-McIntyre, Church, Crawford, Culp, Culpepper, Cunningham, Dickson, Earle, Easterling, Fox, Gardner, Hackney, Hill, H. Hunter, Hurley, Lemmond, Locke, Luebke, McAllister, McCrary, McMahan, Preston, Richardson, Shaw, Tolson, Wainwright, Warner, Watson, G. Wilson, Womble, Wright, and Yongue.

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Referred to: Insurance.

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March 20, 1995

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE FOR DIRECT PAYMENT OF LICENSED MARRIAGE AND  
2 FAMILY THERAPISTS UNDER HEALTH INSURANCE POLICIES AND  
3 PLANS.  
4

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 58-39-15(17) reads as rewritten:

7 "(17) 'Medical professional' means any person licensed or certified to  
8 provide health care services to natural persons, including but not  
9 limited to, a physician, dentist, nurse, chiropractor, optometrist,  
10 physical or occupational therapist, certified clinical social worker,  
11 licensed marriage and family therapist, clinical dietitian, clinical  
12 psychologist, pharmacist, or speech therapist."

13 Sec. 2. G.S. 58-50-30 reads as rewritten:

14 "§ 58-50-30. **Discrimination forbidden; right to choose services of optometrist,**  
15 **podiatrist, certified clinical social worker, licensed marriage and family**

1           **therapist, dentist, chiropractor, or psychologist, or advanced practice**  
2           **registered nurse.**

3           (a) Discrimination between individuals of the same class in the amount of  
4 premiums or rates charged for any policy of insurance covered by Articles 50 through 55  
5 of this Chapter, or in the benefits payable thereon, or in any of the terms or conditions of  
6 such policy, or in any other manner whatsoever, is prohibited.

7           Whenever any policy of insurance governed by Articles 1 through 64 of this Chapter  
8 provides for payment of or reimbursement for any service rendered in connection with a  
9 condition or complaint which is within the scope of practice of a duly licensed  
10 optometrist, a duly licensed podiatrist, a duly licensed dentist, a duly licensed  
11 chiropractor, a duly certified clinical social worker, a duly licensed marriage and family  
12 therapist, a duly licensed psychologist, or an advanced practice registered nurse, the  
13 insured or other persons entitled to benefits under such policy shall be entitled to payment  
14 of or reimbursement for such services, whether such services be performed by a duly  
15 licensed physician, a duly licensed optometrist, a duly licensed podiatrist, a duly licensed  
16 dentist, a duly licensed chiropractor, a duly certified clinical social worker, a duly  
17 licensed marriage and family therapist, a duly licensed psychologist, or an advanced  
18 practice registered nurse, notwithstanding any provision contained in such policy.  
19 Whenever any policy of insurance governed by Articles 1 through 64 of this Chapter  
20 provides for certification of disability which is within the scope of practice of a duly  
21 licensed physician, a duly licensed optometrist, a duly licensed podiatrist, a duly licensed  
22 dentist, a duly licensed chiropractor, a duly certified clinical social worker, a duly  
23 licensed marriage and family therapist, a duly licensed psychologist, or an advanced  
24 practice registered nurse, the insured or other persons entitled to benefits under such  
25 policy shall be entitled to payment of or reimbursement for such disability whether such  
26 disability be certified by a duly licensed physician, a duly licensed optometrist, a duly  
27 licensed podiatrist, a duly licensed dentist, a duly licensed chiropractor, a duly certified  
28 clinical social worker, a duly licensed marriage and family therapist, a duly licensed  
29 psychologist, or an advanced practice registered nurse, notwithstanding any provisions  
30 contained in such policy. The policyholder, insured, or beneficiary shall have the right to  
31 choose the provider of such services notwithstanding any provision to the contrary in any  
32 other statute.

33           Whenever any policy of insurance provides coverage for medically necessary  
34 treatment, the insurer shall not impose any limitation on treatment or levels of coverage if  
35 performed by a duly licensed chiropractor acting within the scope of his practice as  
36 defined in G.S. 90-151 unless a comparable limitation is imposed on such medically  
37 necessary treatment if performed or authorized by any other duly licensed physician.

38           (b) For the purposes of this section, a 'duly licensed psychologist' shall be defined  
39 only to include a psychologist who is duly licensed in the State of North Carolina and has  
40 a doctorate degree in psychology and at least two years clinical experience in a  
41 recognized health setting, or has met the standards of the National Register of Health  
42 Service Providers in Psychology. After January 1, 1995, a duly licensed psychologist  
43 shall be defined as a licensed psychologist who holds permanent licensure and

1 certification as a health services provider psychologist issued by the North Carolina  
2 Psychology Board.

3 (c) For the purposes of this section, a 'duly certified clinical social worker' is a  
4 'certified clinical social worker' as defined in G.S. 90B-3(2) and certified by the North  
5 Carolina Certification Board for Social Work pursuant to Chapter 90B of the General  
6 Statutes.

7 (d) Payment or reimbursement is required by this section for a service performed  
8 by an advanced practice registered nurse only when:

- 9 (1) The service performed is within the nurse's lawful scope of practice;
- 10 (2) The policy currently provides benefits for identical services performed  
11 by other licensed health care providers;
- 12 (3) The service is not performed while the nurse is a regular employee in an  
13 office of a licensed physician;
- 14 (4) The service is not performed while the registered nurse is employed by  
15 a nursing facility (including a hospital, skilled nursing facility,  
16 intermediate care facility, or home care agency); and
- 17 (5) Nothing in this section is intended to authorize payment to more than  
18 one provider for the same service.

19 No lack of signature, referral, or employment by any other health care provider may be  
20 asserted to deny benefits under this provision.

21 For purposes of this section, an 'advanced practice registered nurse' means only a  
22 registered nurse who is duly licensed or certified as a nurse practitioner, clinical specialist  
23 in psychiatric and mental health nursing, or nurse midwife.

24 (e) For purposes of this section, a 'duly licensed marriage and family therapist' is  
25 as defined under G.S. 90-270.47 and licensed by the North Carolina Marriage and Family  
26 Therapy Licensure Board pursuant to Chapter 90 of the General Statutes."

27 Sec. 3. G.S. 58-65-1 reads as rewritten:

28 **"§ 58-65-1. Regulation and definitions; application of other laws; profit and foreign**  
29 **corporations prohibited.**

30 (a) Any corporation heretofore or hereafter organized under the general  
31 corporation laws of the State of North Carolina for the purpose of maintaining and  
32 operating a nonprofit hospital and/or medical and/or dental service plan whereby hospital  
33 care and/or medical and/or dental service may be provided in whole or in part by said  
34 corporation or by hospitals and/or physicians and/or dentists participating in such plan, or  
35 plans, shall be governed by this Article and Article 66 of this Chapter and shall be  
36 exempt from all other provisions of the insurance laws of this State, heretofore enacted,  
37 unless specifically designated herein, and no laws hereafter enacted shall apply to them  
38 unless they be expressly designated therein.

39 The term 'hospital service plan' as used in this Article and Article 66 of this Chapter  
40 includes the contracting for certain fees for, or furnishing of, hospital care, laboratory  
41 facilities, X-ray facilities, drugs, appliances, anesthesia, nursing care, operating and  
42 obstetrical equipment, accommodations and/or any and all other services authorized or  
43 permitted to be furnished by a hospital under the laws of the State of North Carolina and

1 approved by the North Carolina Hospital Association and/or the American Medical  
2 Association.

3 The term 'medical service plan' as used in this Article and Article 66 of this Chapter  
4 includes the contracting for the payment of fees toward, or furnishing of, medical,  
5 obstetrical, surgical and/or any other professional services authorized or permitted to be  
6 furnished by a duly licensed physician, except that in any plan in any policy of insurance  
7 governed by this Article and Article 66 of this Chapter that includes services which are  
8 within the scope of practice of a duly licensed optometrist, a duly licensed chiropractor, a  
9 duly licensed psychologist, an advanced practice registered nurse, a duly certified clinical  
10 social worker, a duly licensed marriage and family therapist, and a duly licensed  
11 physician, then the insured or beneficiary shall have the right to choose the provider of  
12 the care or service, and shall be entitled to payment of or reimbursement for such care or  
13 service, whether the provider be a duly licensed optometrist, a duly licensed chiropractor,  
14 a duly licensed psychologist, an advanced practice registered nurse, a duly certified  
15 clinical social worker, a duly licensed marriage and family therapist, or a duly licensed  
16 physician notwithstanding any provision to the contrary contained in such policy. The  
17 term 'medical services plan' also includes the contracting for the payment of fees toward,  
18 or furnishing of, professional medical services authorized or permitted to be furnished by  
19 a duly licensed provider of health services licensed under Chapter 90 of the General  
20 Statutes.

21 (b) Payment or reimbursement is required by this section for a service performed  
22 by an advanced practice registered nurse only when:

- 23 (1) The service performed is within the nurse's lawful scope of practice;
- 24 (2) The policy currently provides benefits for identical services performed  
25 by other licensed health care providers;
- 26 (3) The service is not performed while the nurse is a regular employee in an  
27 office of a licensed physician;
- 28 (4) The service is not performed while the registered nurse is employed by  
29 a nursing facility (including a hospital, skilled nursing facility,  
30 intermediate care facility, or home care agency); and
- 31 (5) Nothing in this section is intended to authorize payment to more than  
32 one provider for the same service.

33 No lack of signature, referral, or employment by any other health care provider may be  
34 asserted to deny benefits under this provision.

35 (c) For purposes of this section, an 'advanced practice registered nurse' means only  
36 a registered nurse who is duly licensed or certified as a nurse practitioner, clinical  
37 specialist in psychiatric and mental health nursing, or nurse midwife.

38 For the purposes of this section, a 'duly certified clinical social worker' is a 'certified  
39 clinical social worker' as defined in G.S. 90B-3(2) and certified by the North  
40 Carolina Certification Board for Social Work pursuant to Chapter 90B of the General  
41 Statutes.

42 For the purposes of this section, a 'duly licensed psychologist' shall be defined only to  
43 include a psychologist who is duly licensed in the State of North Carolina and has a

1 doctorate degree in psychology and at least two years clinical experience in a recognized  
2 health setting, or has met the standards of the National Register of Health Providers in  
3 Psychology. After January 1, 1995, a duly licensed psychologist shall be defined as a  
4 licensed psychologist who holds permanent licensure and certification as a health  
5 services provider psychologist issued by the North Carolina Psychology Board.

6 For purposes of this section, a 'duly licensed marriage and family therapist' is as  
7 defined under G.S. 90-270.47 and licensed by the North Carolina Marriage and Family  
8 Therapy Licensure Board pursuant to Chapter 90 of the General Statutes.

9 The term 'dental service plan' as used in this Article and Article 66 of this Chapter  
10 includes contracting for the payment of fees toward, or furnishing of dental and/or any  
11 other professional services authorized or permitted to be furnished by a duly licensed  
12 dentist.

13 The insured or beneficiary of every 'medical service plan' and of every 'dental service  
14 plan,' as those terms are used in this Article and Article 66 of this Chapter, or of any  
15 policy of insurance issued thereunder, that includes services which are within the scope  
16 of practice of both a duly licensed physician and a duly licensed dentist shall have the  
17 right to choose the provider of such care or service, and shall be entitled to payment of or  
18 reimbursement for such care or service, whether the provider be a duly licensed physician  
19 or a duly licensed dentist notwithstanding any provision to the contrary contained in any  
20 such plan or policy.

21 The term 'hospital service corporation' as used in this Article and Article 66 of this  
22 Chapter is intended to mean any nonprofit corporation operating a hospital and/or  
23 medical and/or dental service plan, as herein defined. Any corporation heretofore or  
24 hereafter organized and coming within the provisions of this Article and Article 66 of this  
25 Chapter, the certificate of incorporation of which authorizes the operation of either a  
26 hospital or medical and/or dental service plan, or any or all of them, may, with the  
27 approval of the Commissioner of Insurance, issue subscribers' contracts or certificates  
28 approved by the Commissioner of Insurance, for the payment of either hospital or  
29 medical and/or dental fees, or the furnishing of such services, or any or all of them, and  
30 may enter into contracts with hospitals for physicians and/or dentists, or any or all of  
31 them, for the furnishing of fees or services respectively under a hospital or medical  
32 and/or dental service plan, or any or all of them.

33 The term 'preferred provider' as used in this Article and Article 66 of this Chapter  
34 with respect to contracts, organizations, policies or otherwise means a health care service  
35 provider who has agreed to accept, from a corporation organized for the purposes  
36 authorized by this Article and Article 66 of this Chapter or other applicable law, special  
37 reimbursement terms in exchange for providing services to beneficiaries of a plan  
38 administered pursuant to this Article and Article 66 of this Chapter. Except to the extent  
39 prohibited either by G.S. 58-65-140 or by regulations promulgated by the Department of  
40 Insurance not inconsistent with this Article and Article 66 of this Chapter, the contractual  
41 terms and conditions for special reimbursement shall be those which the corporation and  
42 preferred provider find to be mutually agreeable.

1 (d) No foreign or alien hospital or medical and/or dental service corporation as  
2 herein defined shall be authorized to do business in this State."

3 Sec. 4. G.S. 135-40.7A(c) reads as rewritten:

4 "(c) Notwithstanding any other provision of this Part, provisions for benefits for  
5 necessary care and treatment of chemical dependency under this Part shall provide for  
6 benefit payments for the following providers of necessary care and treatment of chemical  
7 dependency:

8 (1) The following units of a general hospital licensed under Article 5 of  
9 General Statutes Chapter 131E:

- 10 a. Chemical dependency units in facilities licensed after October 1,  
11 1984;  
12 b. Medical units;  
13 c. Psychiatric units; and

14 (2) The following facilities licensed after July 1, 1984, under Article 2 of  
15 General Statutes Chapter 122C:

- 16 a. Chemical dependency units in psychiatric hospitals;  
17 b. Chemical dependency hospitals;  
18 c. Residential chemical dependency treatment facilities;  
19 d. Social setting detoxification facilities or programs;  
20 e. Medical detoxification facilities or programs; and

21 (3) Duly licensed physicians and duly licensed practicing psychologists,  
22 certified clinical social workers, licensed marriage and family therapists,  
23 certified clinical specialists in psychiatric and mental health nursing,  
24 and certified professionals working under the direct supervision of such  
25 physicians or psychologists in facilities described in (1) and (2) above  
26 and in day/night programs or outpatient treatment facilities licensed  
27 after July 1, 1984, under Article 2 of General Statutes Chapter 122C.

28 Provided, however, that nothing in this subsection shall prohibit the Plan from requiring  
29 the most cost effective treatment setting to be utilized by the person undergoing  
30 necessary care and treatment for chemical dependency."

31 Sec. 5. G.S. 135-40.7B(c) reads as rewritten:

32 "(c) Notwithstanding any other provisions of this Part, the following providers are  
33 authorized to provide necessary care and treatment for mental illness under this section:

- 34 (1) Licensed psychiatrists;  
35 (2) Licensed or certified doctors of psychology;  
36 (3) Certified clinical social workers;  
37 (3a) Licensed marriage and family therapists;  
38 (4) Psychiatric nurses;  
39 (5) Other social workers under the direct employment and supervision of a  
40 licensed psychiatrist or licensed doctor of psychology;  
41 (6) Psychological associates with a master's degree in psychology under the  
42 direct employment and supervision of a licensed psychiatrist or licensed  
43 or certified doctor of psychology;

- 1           (7)    Licensed psychiatric hospitals and licensed general hospitals providing  
2                psychiatric treatment programs; and  
3           (8)    Certified residential treatment facilities, community mental health  
4                centers, and partial hospitalization facilities."

5            Sec. 6. This act becomes effective July 1, 1995, and applies to claims for  
6            payment or reimbursement for services rendered on or after that date.